



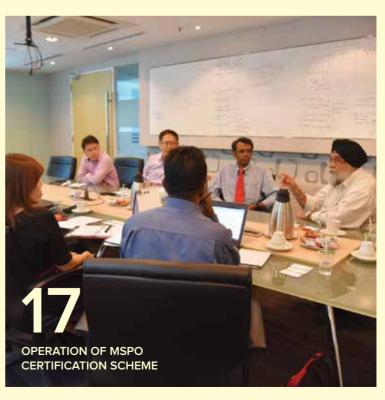






CONTENTS

- 2 Vision and Mission
- 3 Corporate Profile
- **4** Setting up of MPOCC
- 6 Board of Trustees
- 9 Organisation Structure
- 11 Annual General Meeting
- 12 Chairman's Statement
- **14** Review of Operations
- **17** Operation of MSPO Certification Scheme
- **25** Promotion & Significant Events
- **37** Certification Status
- 47 Financial Statements





MISSION

To establish and operate a credible and internationally recognised national palm oil certification scheme towards promoting sustainable management of oil palm in Malaysia

VISION

To be recognised as a leading organisation for palm oil certification



CORPORATE PROFILE

The Malaysian Palm Oil Certification Council (MPOCC) is an independent non-profit organisation established in December 2014 to develop and operate the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. Incorporated as a company under the Companies Act 1965, it is limited by guarantee. MPOCC is governed by a 13-member Board of Trustees and started its operation in October 2015.

MPOCC is the MSPO scheme owner and is overall responsible for the development and operation of the MSPO Certification Scheme.

MPOCC's main objectives are:

- o to create, maintain and administer a fund to be used for purposes of establishing and operating a sustainable palm oil certification scheme in Malaysia, as part of the efforts to ensure and promote sustainable development of the palm oil industry, as well as to facilitate palm oil trade in the international markets
- o to engage with non-governmental organisations, institutions of higher learning, trade associations, and accreditation and certification bodies in Malaysia and globally with the objectives of formulating appropriate sustainability standards for the oil palm industry and promoting programmes to raise awareness on the importance of sustainability certification
- o to establish a mechanism for the certification of premises complying to sustainability requirements of auditable sustainability standards including but not restricting to processing of applicants for certification, formulating rules with regard to the use and issuance of certificates, approval of assessors' certification reports, appeals and complaints procedures, and certification costs









SETTING UP OF MPOCC



Palm oil is one of Malaysia's leading commodities and is used both locally and internationally. Its versatility makes it almost impossible to not find it in many everyday products, ranging from food to household cleaning items and industrial products. As the world population grows, the demand for palm oil as a commodity continues to grow in tandem and the industry has embraced that challenge, as palm oil is a highly productive and versatile commodity. The amount of palm oil produced per hectare per year is far greater than any other vegetable oil and yet the cost to produce is much lower than the production cost of other vegetable oils. For decades, Malaysia has been one of the leading producers and exporters of this versatile and affordable commodity; thus not only supporting the world's need for an affordable source of material but also supporting the local economy and raising the living standard of many Malaysians, particularly in the rural areas. The planting of oil palm by the rural communities, particularly by the smallholders, has been hugely instrumental in the eradication of poverty in the country.

However, there are parties who voice concerns that the oil palm plantings are not sustainable and threaten the biodiversity of

Malaysia's rich tropical forests, particularly with further expansion of new plantings. In this regard, it is important to note that Malaysia has pledged to maintain at least 50% of its total land area under natural forest cover, together with its biodiversity. This promise has been kept and today, more than 56% of Malaysia's total land area is still under permanent natural forest.

Despite this mammoth effort, there have been parties calling for consumers to stop supporting the palm oil industry by not buying and consuming products containing palm oil. This boycott is not addressing the issue at hand nor is it assisting in working towards an amicable solution, and boycotting palm oil is rather counterproductive in most instances.

As part of the effort to reassure the consumers on legality, sustainability and best management practices in the palm oil industry, the Malaysian Palm Oil Certification Council (MPOCC) was incorporated as a company on 10 December 2014 and started its operation on 1 October 2015 with the appointment of the Chief Executive Officer. MPOCC is an independent body tasked with





the development and operation of the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme in the Peninsular, Sabah and Sarawak, the three regions of Malaysia. It is governed by a Board of Trustees comprising a Chairman and representatives of the government, academia, research and development institutions, non-governmental organisations, oil palm industry associations, smallholders' associations and civil societies.

The MSPO Certification Scheme is Malaysia's national scheme to ensure that Malaysian palm oil products meet internationally accepted standards and thresholds and at the same time, allow the oil palm smallholders who have about 40% of the nation's oil palm planted area to participate in the market for sustainable palm oil.

The national scheme is devised to ensure that the oil palm plantings and production of palm oil are using the best management practices to comply with the agreed sustainability requirements without further aggravating forest degradation and deforestation nor harming the environment and people. MPOCC strives to assure the global community through stakeholder engagements that the industry is

heading towards sustainable management of oil palm cultivation in Malaysia.

The palm oil industry has played a pivotal role in the development of hundreds of rural townships by raising the living standards of the population and providing opportunities that would otherwise be unavailable to the communities due to economic stagnation and lack of job creation. Development comes with its own positive and negative impacts, and to favour only the environment at the expense of economic growth is not sustainable, and neither is the opposite. What we can do is to figure out how to reap the benefits which palm oil can provide to the society as a whole and at the same time, minimise the negative impacts oil palm cultivation and palm oil production may have, both long term and short term, on the three pillars of sustainability covering the environmental, social and economic aspects in a balanced and coordinated manner.



BOARD OF TRUSTEES

The Board of Trustees (BOT) is the governing body which manages the affairs of the Council and decides the overall policy and direction in carrying out MPOCC's activities. In addition to the Chairman, the members of the Board comprise representatives from the Ministry of Plantation Industries and Commodities (MPIC), Malaysian Palm Oil Board (MPOB), academia, research and development institutions, non-governmental organisations (NGOs), oil palm industry associations, smallholders' organisations and civil societies.

The Board of Trustees in 2016 comprised:

CHAIRMAN



Datuk Aaron Ago Anak Dagang

An important milestone in MPOCC's progress since the formal constitution of the BOT was the holding of its First BOT Meeting on 24 March in Kuala Lumpur, where the members were briefed on the MSPO Certification Scheme and updated on the progress in its development and implementation.

The Second BOT Meeting which was held on 21 November further discussed the scheme's implementation progress and future direction. Subsequently, the Third BOT Meeting held on 19 December deliberated and approved the budget for MPOCC to implement the planned programmes and activities for the year 2017.

MEMBERS



Datuk M. Nagarajan Ministry of Plantation Industries and Commodities (MPIC) (w.e.f. 1 July)



Dr. Hj. Ahmad Kushairi Din Malaysian Palm Oil Board (MPOB) (w.e.f. 1 July)



Prof Dr. Ahmad Hariza Hashim Universiti Putra Malaysia (UPM) (w.e.f. 1 Jan)



Prof Dr. Mohd Raihan Taha Universiti Kebangsaan Malaysia (UKM) (w.e.f. 1 Jan)



Dr. Ruslan Abdullah Malaysian Palm Oil Association (MPOA) (w.e.f. 1 July)



MEMBERS (con't)



Masri Pudin East Malaysia Planters' Association (EMPA) (w.e.f. 1 July)



Steven Yow Thin Chin The Federation of Palm Oil Millers Association of Malaysia (POMA) (w.e.f. 1 July)



Simon Siburat The Palm Oil Refiners Association of Malaysia (PORAM) (w.e.f. 1 Jan)



Dato' Hj. Aliasak Hj. Ambia National Association of Smallholders Malaysia (NASH) (w.e.f. 1 July)



Dr. Richard Mani Banda Sarawak Dayak Oil Palm Planters Association (DOPPA) (w.e.f. 1 July)

Board of Trustees replaced in 2016:



Datuk Dr. Sundaran Annamalai Ministry of Plantation Industries and Commodities (MPIC) (up to 30 June)



Datuk Dr. Choo Yuen May Malaysian Palm Oil Board (MPOB) (up to 30 June)



Datu Vasco Sabat Singkang Sarawak Oil Palm Plantation Owners Association (SOPPOA) (up to 30 June)



BOARD OF TRUSTEES

The Board of Trustees met three times as follows:



First BOT Meeting, 24 March



Second BOT Meeting, 21 November

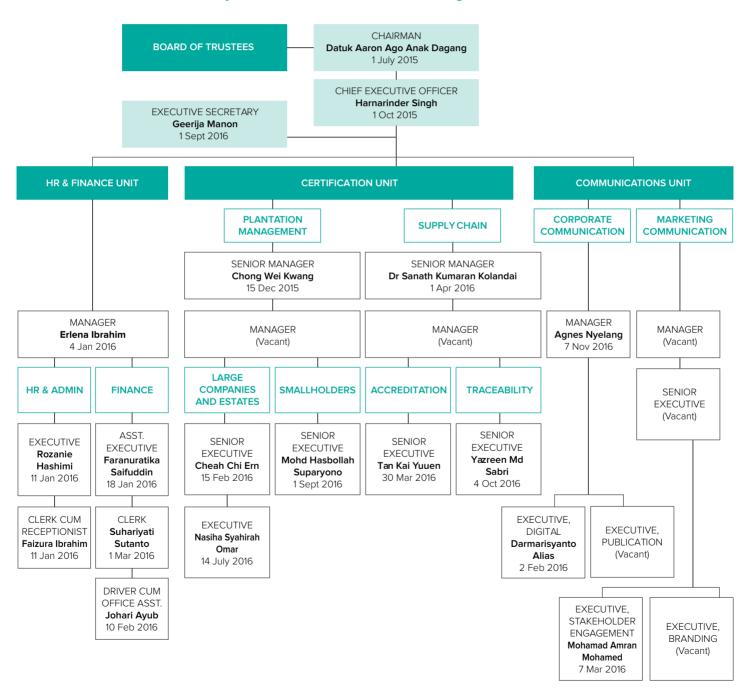


Third BOT Meeting, 19 December



ORGANISATION STRUCTURE

Malaysian Palm Oil Certification Council Organisation Chart



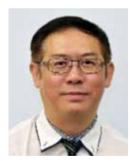
MANAGEMENT TEAM AND SUPPORTING STAFF



Left to right back row: Yazreen Md Sabri, Suhariyati Sutanto, Erlena Ibrahim, Geerija Manon, Sanath Kumaran, Harnarinder Singh, Mohd Hasbollah Suparyono, Johari Ayub, Rozanie Hashimi, Darmarisyanto Alias, Tan Kai Yueen

Left to right front row: Nasiha Syahirah Omar, Faizura Ibrahim, Cheah Chi Ern, Faranuratika Saifuddin, Agnes Nyelang

Not in photograph:







Mohamad Amran Mohamed

ANNUAL GENERAL MEETING



CHAIRMAN'S STATEMENT

On behalf of the Board of Trustees of the Malaysian Palm Oil Certification Council (MPOCC), I am pleased to present the 2016 Annual Report and the Audited Accounts of the Council for the financial year ending 31 December 2016.

MPOCC was incorporated in December 2014 as a company limited with guarantee and started its operation in October 2015 with the appointment of the Chief Executive Officer. Since then, MPOCC has carried out various activities to further develop and implement the MSPO Certification Scheme. A number of significant milestones have been achieved till the end of 2016.

MPOCC in implementing the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme has been promoting and advancing the national oil palm sustainability agenda in line with the objectives of several national policies, such as the National Environment Policy, the National Policy on Biodiversity, the National Policy on Climate Change and the National Roadmap on Sustainable Development Goals (SDGs). At the moment, the implementation of MSPO certification is on a voluntary basis and MPOCC has been increasing the awareness among the relevant stakeholders on the importance to ensure sustainability and dismiss allegations on non-ethical practices.

For nearly a decade, palm oil has contributed in a big way to the economy and social well-being of Malaysia. Exports of palm oil and palm oil products contribute significantly to the country's foreign exchange earnings. Oil palm cultivation has also been hugely instrumental in raising the standard of living and household income of small landowners and rural communities in the country. Being able to yield more oil per hectare of cultivation than any other vegetable oils, the oil palm is the most efficient oil crop in terms of

land use and is therefore able to meet the demand for oils and fats of the ever-growing population of the world.

However, concerns that large scale oil palm plantations are doing more bad than good are often being raised especially by international communities and environmentalists. Sub-standard agricultural practices and deforestation in the name of expansion are some of the main concerns expressed, beside the concerns regarding loss of habitat for wildlife, notably the Orang Utan. Being the second largest producer of palm oil in the world, it is only natural for Malaysia to be under the radar of environmentalists and green campaigners regarding the production of palm oil in a sustainable manner.

Being a national certification scheme and very much home grown, it will not only take committed effort and cohesive collaboration amongst the many local stakeholders, but also acceptance by markets for Malaysian palm oil, for the MSPO Certification Scheme to gain recognition and acceptance as an effective means to provide assurance of sustainability. The participation and contribution of key stakeholders representing the palm oil business and industry, environmental and social NGOs, academia, research institutions, government agencies and workers unions, is critical and essential to provide credibility and ownership to the work of MPOCC in developing and implementing the MSPO Certification Scheme. I believe that such effort will help the nation in building a meaningful and useful platform to address palm oil sustainability.

I wish to take this opportunity to show our great appreciation to YB Datuk Seri Mah Siew Keong, the Minister of Plantation Industries and Commodities Malaysia for his dedicated support and guidance in the implementation of the MSPO Certification Scheme by MPOCC.



To the MPOCC management and staff, I thank you for your dedicated support and commitment since the formation of the Council. I believe that the inspiring work of MPOCC will enable the present generation to leave a legacy and provide a brighter future for generations to come. Finally, I wish everyone good health and prosperity as we embark on various activities to achieve the planned targets for the year 2017 and beyond.

YB Datuk Aaron Ago Dagang

Chairman 31 December 2016



REVIEW OF OPERATIONS

2016 has been a crucial year for MPOCC as the organisation continues with its efforts to further strengthen the visibility and awareness of the MSPO Certification Scheme in Malaysia, particularly during this period of infancy is still in its infancy. In view of the many challenges faced and regardless of the somewhat gradual uptake, a substantial portion of the oil palm planted areas managed to obtain MSPO certification since the operation of the scheme beginning January 2015. A total of 221,575 ha were certified and 21 millers were awarded the MSPO certification in by the end of 2016.

Besides pursuing the MSPO certification uptake, MPOCC has also been actively getting the certification bodies that had conducted MSPO audits to apply to the Department of Standards Malaysia (DSM) to obtain accreditation to ensure that they are competent to carry out credible and consistent audits under the MSPO Certification Scheme. By the end of December 2016, a total of four certification bodies had been accredited to carry out MSPO audits. A few more are currently in the process of being accredited. It is important for MPOCC to ensure that the certification bodies obtain accreditation, and their auditors have a good knowledge of the requirements of the MSPO Standards used by the scheme. For this purpose, training for auditors is being planned for 2017 and beyond so as to ensure that the accredited certification bodies employ only trained and competent auditors to conduct the audits under the MSPO Certification Scheme.

In terms of achievement, MSPO is gaining prominence albeit gradually. By December 2016, nearly 4.0% of the total oil palm planted area had obtained MSPO certification. MPOCC is also pursuing the operation of the MSPO Certification Scheme with the support of relevant stakeholders, including government bodies and agencies including the Ministry of Plantation Industries and Commodities and the Malaysian Palm Oil Board.

Globally, MPOCC had continued in its effort to participate in key international exhibitions and fairs to promote and further increase the visibility of the MSPO Certification Scheme. On a similar note, MPOCC had actively worked hand in hand with relevant stakeholders so as to be updated on the latest developments pertaining to the various sustainability issues related to the palm oil industry, including the sustainability of the Malaysian palm oil and palm oil products.

Throughout the year 2016, rigorous effort was also taken by MPOCC to raise the level of awareness and promote MSPO certification locally. Apart from participating and giving talks at various events, including exhibitions, conferences and seminars, MPOCC also engaged the news media through a number of interview sessions on the role of certification in promoting sustainable oil palm management practices. Many of the interviews resulted in articles being published in the local news media and journals.

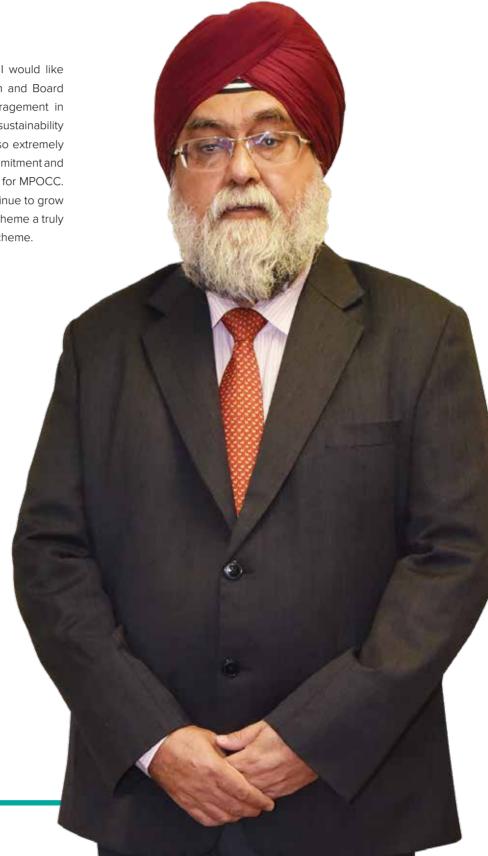
MPOCC also continued to work closely with the Malaysian Palm Oil Board to increase the uptake of MSPO certification among the oil palm smallholders, through joint presentations at several seminars and meetings to promote MSPO certification to potential smallholders throughout the country.

Strengthening engagement with academic institutions is also crucial for MPOCC to ensure that the graduates produced and research conducted contribute positively to the country's skilled human resource and in doing so uplift the government's agenda for MSPO certification to be taken seriously by both the local and international stakeholders. It must be noted that a number of members of the MPOCC Board of Trustees are leading academicians well known for their contribution and key research related to the palm oil industry, both upstream and downstream.



On behalf of the management and staff of MPOCC, I would like to express our greatest appreciation to the Chairman and Board of Trustees for their relentless guidance and encouragement in supporting MPOCC in its effort to continuously pursue sustainability certification in the Malaysian palm oil industry. I am also extremely grateful to the entire MPOCC team for the persistent commitment and effort taken in making 2016 an exciting and fruitful year for MPOCC. It is my hope that such support and dedication will continue to grow in the years to come to make the MSPO Certification Scheme a truly credible and internationally recognised sustainability scheme.

Harnarinder SinghChief Executive Officer
31 December 2016









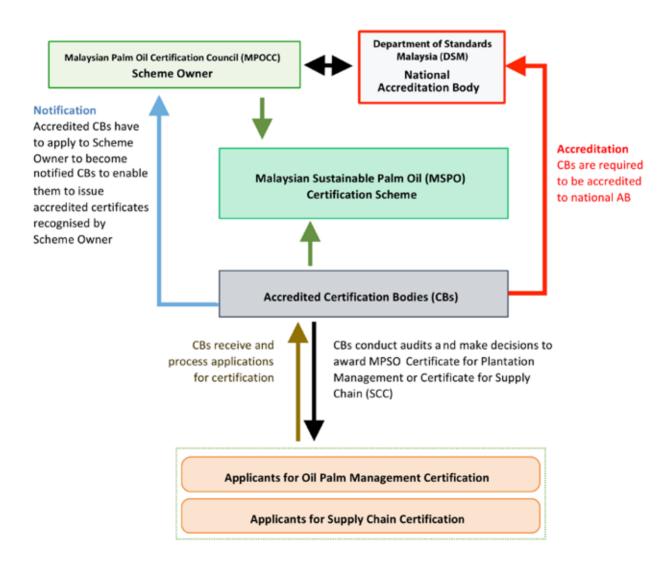
OPERATION OF NO SCHEME

OPERATION OF MSPO CERTIFICATION SCHEME

On 3 March, in a simple handing over ceremony held at the MPOB Headquarters in Bangi, the Director General of MPOB, Datuk Dr Choo Yuen May formally handed over the MSPO Certification Scheme documents and related information to MPOCC CEO Harnarinder Singh, thus officially endorsing MPOCC as the new owner and

operator of the scheme that was previously under the purview of MPOB. Following the official handing over, MPOCC formulated an institutional arrangement for the operation of the MSPO Certification Scheme.

Institutional Arrangement of MSPO Certification Scheme







The key role and responsibilities of the organisations in the operation of the scheme are as follows:

Malaysian Palm Oil Certification Council (MPOCC)

As the MSPO Certification Scheme owner, MPOCC is responsible for the development and operation of the scheme, which includes the development and implementation of the scheme standards and documents, briefing and training to stakeholders, auditors and peer reviewers, and to carry out promotional activities for the MSPO Certification Scheme and issue MSPO Logo usage licenses to certificate holders.

Department of Standards Malaysia (DSM)

As the National Accreditation Body, DSM is responsible for the accreditation of organisations engaged in conformity assessment activities and the development and implementation of the accreditation programmes for certification bodies operating oil palm management certification and supply chain certification.

Certification Bodies

Certification bodies carry out field audits comprising of initial audits, annual surveillance audits and recertification audits. The certification bodies are also responsible for the peer review of audit reports, issuance of certificates to successful applicants and monitoring of compliance through surveillance audits, certificate suspension, withdrawal or reinstatement of certificates.

o Meetings with the Certification Bodies

In June, MPOCC had a series of meetings with all the 11 certification bodies previously registered with MPOB, where the certification bodies were introduced to MPOCC who informed them of its objectives and role as the new scheme owner, and at the same time provided them with an update on the development and progress in the implementation of the MSPO Certification Scheme. MPOCC also took the opportunity to obtain feedback from the certification bodies to further strengthen and improve the implementation of the scheme.



OPERATION OF MSPO CERTIFICATION SCHEME

o Accreditation programme

Under the MSPO Certification Scheme, for certification bodies to conduct audits, they have to be accredited with the Department of Standards Malaysia (DSM), which is the national accreditation body. This is necessary to ensure that the certification bodies are competent to carry out credible and consistent MSPO certification audits.





DEPARTMENT OF STANDARDS MALAYSIA
SCHEME FOR THE ACCREDITATION OF CERTIFICATION BODIES
(The ACB Scheme)

ACB-MALAYSIAN SUSTAINABLE PALM OIL (MSPO) Issue 1, 8 December 2015

REQUIREMENTS FOR THE ACCREDITATION OF CERTIFICATION BODIES OPERATING OIL PALM MANAGEMENT CERTIFICATION UNDER THE MALAYSIAN SUSTAINABLE PALM OIL (MSPO) CERTIFICATION SCHEME

The DSM accreditation process is based on an international accreditation system in compliance with the requirements of the document MS ISO/IEC 17011:2004 Conformity assessment – General requirements for accreditation bodies accrediting conformity assessment bodies for accreditation bodies assessing and accrediting conformity assessment bodies (CABs). It is also appropriate as a required document for the peer evaluation process for mutual recognition arrangements between accreditation bodies.



On 1 June, DSM officially launched the Accreditation of Certification Bodies (ACB) programme for Certification Bodies operating oil palm management certification. MPOCC is a member of the Technical Working Group (TWG) on Accreditation of Certification Bodies (ACB) that is facilitated by DSM and is responsible in finalising the accreditation programme to ensure that certification bodies are competent to carry out MSPO certification audits under the MSPO Certification Scheme. Certification bodies are required to comply to MS ISO/IEC 17021:2015 Conformity assessment – Requirements for bodies providing audit and certification of management systems to ensure that the certification services provided are impartial, non-discriminatory, credible and satisfy the requirements of the MSPO Certification Scheme with regard to their knowledge and experience related to oil palm management certification or supply chain certification.

Besides complying with the requirements of the document MS ISO/IEC 17021:2015, the certification bodies also must comply with the accreditation requirements under the MSPO Certification Scheme. Documents to be referred are the DSM's Requirements for the Accreditation of Certification Bodies (ACB) operating oil palm management certification under the MSPO Certification Scheme (Issue 1, 8 December 2015) and MPOCC's documents entitled Stakeholder consultation requirements



during oil palm management certification audits for Certification Bodies operating under the MSPO Certification Scheme (MPOCC 1 June 2016) and Peer review process requirements for Certification Bodies operating oil palm management certification under the MSPO Certification Scheme (MPOCC 1 June 2016).





As part of promoting the newly launched

accreditation programme, MPOCC together with DSM organised a joint briefing session on Requirements for Accreditation of Certification Bodies Operating Oil Palm Management Certification under the MSPO Certification Scheme on 30 June in Kuala Lumpur. All the 11 certification bodies previously registered with MPOB to carry out audits of oil palm entities against the MSPO Standards attended the briefing session.

As of June, seven certification bodies [DQS Certification (M) Sdn. Bhd., SGS (Malaysia) Sdn. Bhd., BSI Services Malaysia Sdn. Bhd., SIRIM QAS International, Bureau Veritas (M) Sdn. Bhd., TUV Nord (Malaysia) Sdn. Bhd. and Control Union (Malaysia) Sdn. Bhd.] had issued MSPO Certificates prior to the launch of the accreditation programme by DSM. These MSPO Certificates remain valid under the MSPO Certification Scheme.

By the end of December, six certification bodies had submitted

their full application for accreditation to DSM. It is envisaged that accredited certification bodies under the MSPO Certification Scheme will be available starting February 2017.

Under the ACB programme, certification bodies which have issued valid MSPO Certificates are required to transition over to the ACB–MSPO accreditation programme by the end of June 2017 if they wish to continue to provide MSPO certification services to their existing and prospective clients.

The accreditation of the certification bodies by DSM allows for the transfer of the existing MSPO Certificates to accredited MSPO Certificates to gain broader recognition. The accredited MSPO Certificates retain the original certificate validity period. Upon accreditation, the accredited certification body has to sign the Notification Agreement and the MSPO Logo Usage License Agreement with MPOCC.









OPERATION OF MSPO CERTIFICATION SCHEME

















o Transfer of ownership and usage of the MSPO Logo

On 9 June, MPOCC held a meeting with MPOB to discuss the matters related to the transfer of ownership and usage of the MSPO logo. The outcome and recommendations made were further discussed by the Jawantankuasa Pemantauan Pelaksanaan MSPO at its meeting held on 27 January 2017 in Putrajaya, looking into how best the ownership of the MSPO logo can be transferred from MPOB to MPOCC as the current owner and operator of the MSPO Certification Scheme.













PROMOTION & SIGNIFICANT EVENTS

INTERNATIONAL HIGHLIGHTS





EPOC 2016

MPOCC, represented by its CEO, Harnarinder Singh and Senior Manager, Dr. Sanath Kumaran, participated in the European Palm Oil Conference (EPOC 2016) that was held on 5–6 October in Warsaw, Poland. At the session on Certification standards for sustainable palm oil—what schemes are available?, Harnarinder made a presentation on the MSPO Certification Scheme, aimed at

spreading awareness on Malaysia's very own MSPO standards and sustainability certification scheme. MPOCC also had an exhibition stand where publicity and promotional materials pertaining to MPOCC and the MSPO Certification Scheme were distributed to the participants.

Mission to Belgium and France

In April, MPOCC Chairman YB Datuk Aaron Ago Dagang accompanied the Malaysian delegation led by the Ministry of Plantation Industries and Commodities on a mission to Brussels

and Paris to meet and discuss with government officials, amongst others, issues related to the French Government's proposed bill to raise the tax on uncertified palm oil imported into France. As Malaysia is the second largest palm oil producing country in the world, there is no doubt that the trade and export of Malaysian palm oil to France, and effectively to the European Union (EU), will be adversely affected. There is also the fear of a domino effect within the members of EU if the French Government went ahead to support the proposed bill. The meetings therefore

provided a good platform to the Malaysian delegation to relay the various concerns and present the potential negative impact to the Malaysian economy if such an initiative ever materialised.





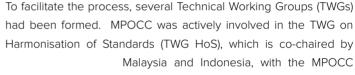
15th International Peat Congress

MPOCC participated in the 15th International Peat Congress (IPC) that was held in Kuching, Sarawak on 15–19 August, where MPOCC highlighted the role of MSPO certification in peatland management through a poster presentation entitled Oil Palm Sustainability Standards in Malaysia and Peat Land Management.



The Council of Palm Oil Producing Countries (CPOPC)

Since the signing of the Council of Palm Oil Producing Countries (CPOPC) Charter in November 2015 between Malaysia and Indonesia, MPOCC had actively participated in the initiative throughout 2016.



Malaysia and Indonesia, with the MPOCC CEO Harnarinder Singh representing the Malaysian side.



The TWG HoS aims to formulate a system to harmonise the existing certification standards for sustainable palm oil so that a credible framework of principles and criteria can be developed that is recognised and accepted by key markets for sustainable palm oil, particularly from Malaysia and Indonesia. MPOCC attended three meetings of the TWG (HoS), along with another three Malaysia—Indonesia Senior Officials Meetings (SOM) in 2016.



INTERNATIONAL SEMINARS, WORKSHOPS AND MEETINGS

MPOCC participated in the following international seminars, workshops and meetings in 2016

International Seminars/Workshops/Meetings	Date	Venue
3 rd Meeting of Indonesia-Malaysia Technical Working Group (TWG) on Harmonisation of Standards (HoS)	12–14 January	Jakarta, Indonesia
6 th Senior Officials Meeting (SOM) of CPOPC	14 January	Jakarta , Indonesia
4^{th} Meeting of Indonesia-Malaysia Technical Working $$ Group (TWG) on Harmonisation of Standards (HoS)	23 February	Kuala Lumpur
7 th Senior Officials Meeting (SOM) of CPOPC	24 February	Kuala Lumpur
Palm and Lauric Oils Price Outlook Conference (POC) 2016	8–9 March	Kuala Lumpur
3 rd Singapore Dialogue on Sustainable World Resources by SIIA	15 April	Singapore
MPIC Mission to Belgium and France	25–28 April	Brussels, Belgium & Paris, France
$5^{\rm th}$ Meeting of Indonesia-Malaysia Technical Working Group (TWG) on Harmonisation of Standards (HoS)	26 July	Putrajaya
15 th International Peat Congress (IPC) 2016	15–18 August	Kuching
9 th Senior Officials Meeting (SOM) of CPOPC	30 August	Putrajaya
European Palm Oil Conference (EPOC) 2016	5–6 October	Warsaw, Poland
International Biomass Conference Malaysia 2016	11 October	Kuala Lumpur
Palm Oil Trade Fair and Seminar (POTS)	12–13 October	Kuala Lumpur
Oils and Fats International Congress (OFIC) 2016	19–21 October	Kuala Lumpur
$14^{\rm th}$ Annual Roundtable Meeting of Roundtable on Sustainable Palm Oil (RSPO RT-14)	7–10 November	Bangkok, Thailand
2016 PEFC Stakeholder Dialogue	17–18 November	Bali, Indonesia
ISCC Regional Stakeholder Dialogue SEA, 2016	5-6 December	Penang











LOCAL EVENTS

POTS KL 2016

MPOCC made its first appearance as an exhibitor locally at the *Palm Oil Trade Fair and Seminar* (POTS) KL 2016 organised by MPOC which was held in Kuala Lumpur on 12–13 October. MPOCC CEO, Harnarinder Singh made a presentation entitled *Implementation of MSPO Certification Scheme* on the first day of the event.





OFIC 2016

MPOCC continued with its effort to promote MSPO certification at *The Oils and Fats International Congress* (OFIC) 2016 organised by the Malaysian Oil Scientists' and Technologists' Association (MOSTA) by setting up an exhibition booth to distribute information and publicity materials pertaining to MPOCC and the MSPO Certification Scheme. Held in Kuala Lumpur from 19–21 October, OFIC 2016 attracted close to 480 participants from various research and academic institutions, companies and agencies.

POMREQ KL 2016

MPOCC disseminated information on the organisation and the MSPO Certification Scheme at the *National Seminar on Palm Oil Milling, Refining, Environment and Quality* (POMREQ) 2016 which was held on 29–30 November in Kuala Lumpur. MPOCC also made a presentation entitled *Implementation of MSPO Certification Scheme* and participated in the Q & A session.





MPOCC BRIEFING SESSIONS



Since starting its operation in January, throughout 2016, MPOCC organised several briefing sessions to introduce MPOCC and its role as the scheme owner, as well as to present updates on the implementation of the MSPO Certification Scheme to key palm oil industry players in the country.

MPOCC's very first briefing session

The first briefing made was to the palm oil industry associations that took place at the MPOCC office in April and was attended by representatives from the Malaysian Palm Oil Association (MPOA), The Palm Oil Refiners Association of Malaysia (PORAM), Malaysian Estate Owners' Association (MEOA), National Association of Smallholders

(NASH), Sarawak Oil Palm Berhad (SOPB) and KL Kepong Bhd.

MPOCC also gave a briefing to the PORAM members and the senior management of SOPB at their respective offices in Kuala Lumpur. This was followed by briefings to the East Malaysia Planters' Association (EMPA) members in Kota Kinabalu and to the SOPPOA members in Kuching.

During the briefing sessions, MPOCC also took the opportunity to inform the industry players on the work of the TWG HoS under the CPOPC, and its role within the development and implementation of the MSPO Certification Scheme, and garnered feedback from the industry on matters pertaining to the work of the TWG.



Briefing to Companies

Company	Date	Venue
KL Kepong Berhad	4 April	Kuala Lumpur
Genting Plantation	21 June	Kuala Lumpur
TSH Resources Berhad	28 June	Kuala Lumpur
POIC Sabah Sdn. Bhd.	14 July	Kota Kinabalu
Tradewinds Plantation Berhad	29 July	Kuala Lumpur
Sime Darby Plantation Sdn. Bhd.	2 August	Petaling Jaya
Hap Seng Plantations Holdings Berhad	19 August	Kuala Lumpur
Sarawak Oil Palm Berhad	23 September	Miri
Rimbunan Sawit Berhad	24 November	Sibu
Ladang Rakyat Terengganu	28 November	Terengganu
TDM Berhad	29 November	Terengganu
Tabung Haji Plantation	9 December	Kuala Lumpur
Kwantas Corporation Berhad	13 December	Kota Kinabalu
SLDB Plantations	14 December	Kota Kinabalu
Teck Guan Holdings Sdn. Bhd.	15 December	Tawau
N.Y. Hiew Holdings Sdn. Bhd.	15 December	Tawau
Kretam Holdings Berhad	16 December	Sandakan
Cepatwawasan Group Berhad	16 December	Sandakan
Chellam Plantations Sdn. Bhd.	23 December	Kuala Lumpur











MPOCC BRIEFING SESSIONS

Briefing to Palm Oil Associations & Other Stakeholders

Palm Oil Association & Stakeholder	Date	Venue
Malaysian Estate Owners Association (MEOA)	4 April & 25 October	Kuala Lumpur
Malaysian Palm Oil Association (MPOA)	4 April	Kuala Lumpur
National Association of Smallholders Malaysia (NASH)	4 April	Kuala Lumpur
Malaysian Oleochemical Manufacturers Group (MOMG)	4 April	Kuala Lumpur
Palm Oil Millers Association of Malaysia (POMA)	4 April	Kuala Lumpur
Malayan Edible Oil Manufacturers Association (MEOMA)	4 April	Kuala Lumpur
Malaysian Biodiesel Association (MBA)	4 April	Kuala Lumpur
Palm Oil Refiners Association of Malaysia (PORAM)	6 April	Kuala Lumpur
Sarawak Oil Palm Plantation Owners Association (SOPPOA)	8 April & 4 July	Sibu
The East Malaysia Planters Association (EMPA)	7 April & 15 July	Kota Kinabalu & Sandakan
Performance Management and Delivery Unit (PEMANDU)	12 May	Putrajaya
Lahad Datu Industry Stakeholders	19 July	Lahad Datu
Dayak Oil Palm Planters Association (DOPPA)	3 December	Bintulu











LOCAL CONFERENCES, SEMINARS AND WORKSHOPS

MPOCC participated in the following local Conferences, Seminars and Workshops in 2016

Local Conference/Seminar/Workshop	Date	Venue
Palm Oil Economic Review and Outlook Seminar 2016	19 January	Kuala Lumpur
Reach and Remind Friends of the Industry Seminar & Dialogue 2016	2 February	Kuching
Seminar on Palm Oil Waste Utilization and Management	15–17 March	Kota Kinabalu
MTC Annual Marketing Seminar	17 March	Kuala Lumpur
Programme Advisory Committee (PAC) Seminar	14 April	Bangi
22 nd MPOB Transfer of Technology Seminar 2016	2 June	Bangi
9 th MPOB GSAS Seminar 2016	3 June	Bangi
Digital Technology, Community and Palm Oil' Multi- Stakeholder Workshop	28 June	Kuala Lumpur
PROHAM – EMPOWER UPR Monitoring Training	11 August	Kuala Lumpur
36 th Palm Oil Familiarisation Programme	26 August	Kuala Lumpur
PILIPS and PalmMech Seminar	19–21 September	Sandakan
Persidangan Pekebun Kecil Sawit Kebangsaan	11–12 October	lpoh
Sustainability of National Heritage: Causes, Effects & Solutions Conference	14–16 October	Raub
PORAM Annual Forum	22 October	Kuala Lumpur
Soil Appreciation Course in Johor	24–26 October	Muar
DQS Public Training Course	7–11 November	Miri
Human-Wildlife Conflict Workshop	21–23 November	Sandakan
National Seminar on Palm Oil Milling, Refining, Environment & Quality (POMREQ)	29–30 November	Kuala Lumpur



LOCAL CONFERENCES, SEMINARS AND WORKSHOPS













1 & 2 : Palm Oil Trade Fair and Seminar (POTS)

3,4,5 & 6 : National Seminar on Palm Oil Milling, Refining, Environment & Quality (POMREQ)



MPOCC organised/participated in the following Events in 2016

Event	Date
Official handing over of MSPO Certification Scheme ownership to MPOCC by MPOB, at its Headquarters in Bangi	3 March
7 th National Committee Meeting on MSPO, at MPOB Bangi	7 April
Courtesy visit to Malaysian Nature Society (MNS) Headquarters, at Jalan Kelantan, Kuala Lumpur	11 May
Meeting on collaborative efforts on sustainability with WWF-Malaysia, at WWF - Malaysia office, Kuala Lumpur	18 May
Launching of the Accreditation of Certification Bodies Programme for Certification Bodies operating oil palm management certification under the MSPO Certification Scheme by Department of Standards Malaysia	1 June
Launching of MPOCC's official website	16 June
Joint briefing by DSM and MPOCC to CBs on ACB–MSPO programme	30 June

MPOCC held discussions with the following Visitors in 2016

Visitor	Date
Simon Siburat, Palm Oil Refiners Association of Malaysia (PORAM)	20 April
Stefano Savi and Sri Gayathri, Roundtable on Sustainable Palm Oil (RSPO)	1 July
Miranda van der Horst, Daphne and Natalie Looman, University of Amsterdam, The Netherlands	20 July
Vasu R Vasuthewan and Andreas Feige, International Sustainability and Carbon Certification (ISCC), Germany	24 August
Yasmin Rasyid, Malaysian Environmental NGOs (MENGO)	24 August
Delegation from Sonacos, Senegal	10 October
Beng Imran, Round Square Creative Publications, Kuala Lumpur	24 October





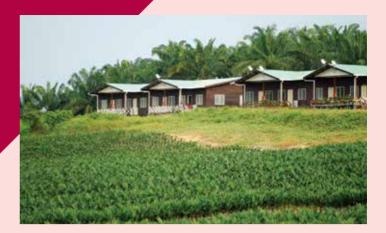














CERTIFICATION STATUS

CERTIFIED AREAS

For the year 2016, the information on certified areas (plantations, organised smallholders, independent smallholders) and mills was compiled by both MPOB (prior to October) and MPOCC (beginning October), and is presented below:

Summary of MSPO Certified Entities as at 31 December 2016

Certified Areas under MSPO Part 2 (ha) = 1,473.95

No. of Sustainable Palm Oil Clusters = 12 (SPOCs)

Certified Areas under MSPO Part 3 (ha) = 219,848.01

No. of Plantation Companies = 16

No. of Estates = 71

Total Certified Planted Areas (ha) = 221,321.96

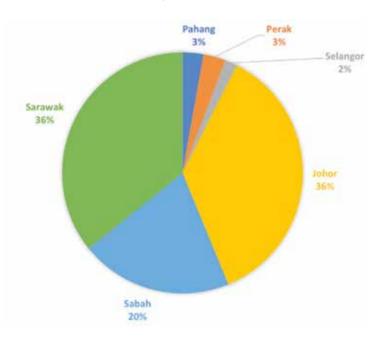
Capacity of Certified Mills under MSPO = 1,280.00

Part 4 (mt/hour)

No. of Certified Mills = 21

No. of Companies = 15

CERTIFIED AREAS UNDER MSPO PART 2 (SPOCs) 1,473.95 ha

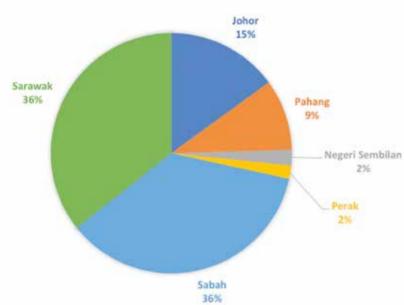


Certified Areas under MSPO Part 2 by State

State	Certified Area (ha)
Pahang	83.33
Perak	87.95
Selangor	48.55
Johor	40.01
Sabah	155.13
Sarawak	1058.98
Total	1,473.95



CERTIFIED AREAS UNDER MSPO PART 3 (Large Companies & Organised Smallholders) 219,848.01 ha



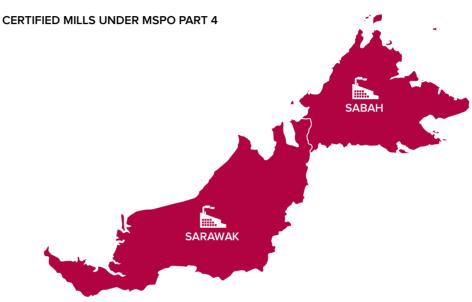
Certified Areas under MSPO Part 3 by State

State	Certified Area (ha)	Number of Estates
Johor	32,741.00	14
Pahang	20,928.04	9
Negeri Sembilan	5,818.68	2
Perak	3,868.34	2
Sabah	78,598.22	25
Sarawak	77,893.73	19
Total	219,848.01	71



CERTIFIED MILLS





Certified Mills under MSPO Part 4 by State

State	Total Capacity (mt/hr)	Number Of Mills
Johor	225.00	3
Pahang	114.00	3
Negeri Sembilan	28.00	1
Sabah	413.00	7
Sarawak	500.00	7
Total	1,280.00	21





DETAILS OF CERTIFIED SMALLHOLDERS, PLANTATIONS, ORGANISED SMALLHOLDERS AND MILLS AS AT 31 DECEMBER 2016

Certified Areas under MSPO Part 2

Certification Body	Location	Certified Area (ha)
BSI	SPOC Bera, Pahang	83.33
DQS	SPOC Hilir Perak	87.95
Bureau Veritas	SPOC Beluran, Sabah	155.13
BSI	SPOC Saratok, Sarawak	957.51
TUV Nord	SPOC Kuala Langat, Selangor	48.55
DQS	SPOC Selangau, Sarawak	101.47
SGS	SPOC Kulaijaya, Johor	40.01
	TOTAL	1,473.95

Certified Areas under MSPO Part 3

Certification Body	Company	State	Plantation	Certified Area (ha)
DQS	JC Chang Group, Asia Oil Palm Sdn Bhd	Sabah	Asia Oil Palm Estate 2 Melewar Estate 2 Hwa Li Estate 3	9,324.00
DQS	Genting Plantations Berhad	Sabah	Sabapalm Estate	3,985.22
Bureau Veritas	Tradewinds Plantation Berhad, Ladang Petri Tenggara Sdn Bhd	Johor	Ulu Sebol B Estate	2,266.00
SIRIM QAS International	Boustead Plantations Berhad, Boustead Rimba Nilai Sdn Bhd	Pahang	Ladang Sungai Jernih	2,695.70
SGS	IJM Plantations Berhad	Sabah	Desa Talisei South Estate Desa Talisei North Estate Meliau Estate	6,289.42
SIRIM QAS International	Felda Global Ventures Plantations (M) Sdn Bhd	Pahang	FGVPM Selancar 6 FGVPM Selancar 8 FGVPM Selancar 9	8,181.00
SGS	Sime Darby Plantation Sdn Bhd - SOU 13 Labu	Negeri Sembilan	New Labu Estate Labu Estate	5,818.68



DETAILS OF CERTIFIED SMALLHOLDERS, PLANTATIONS, ORGANISED SMALLHOLDERS AND MILLS AS AT 31 DECEMBER 2016

Certified Areas under MSPO Part 3 (Cont'd)

Certification Body	Company	State	Plantation	Certified Area (ha)
DQS	Sarawak Oil Palms Berhad (Galasah & Lambir Unit)	Sarawak	Suai 1 Estate Suai 2 Estate Sungai Balim Estate Sungai Trus Estate Telong Estate Lamaus Estate Lambir 1 Estate & Lambir 2 Estate Taniku 1 Estate Taniku 2 Estate Karabungan Estate	30,553.47
DQS	J.C. Chang Group, Sakina Oil Mills Sdn Bhd, Takon Production Unit	Sabah	Pelita Estate Takon Estate Muis Melewar Plantation 1 Muis Melewar Plantation 2	6,311.80
BSI	Keresa Plantations Sdn Bhd	d Sarawak	Sujan Estate	3,524.70
			Jiba Estate	2,480.30
DQS	Achi Jaya Plantations Sdn Bhd	Johor	Johore Labis Estate Sungai Gerchang Estate Claire Estate	12,028.00
DQS	JC Chang Group, Melewar Properties Sdn Bhd	Sabah	Melewar Estate 1 Pahang Oil Palm Estate 2 Pahang Oil Palm Estate 3 Gerola Estate Tye Yang Estate 1	12,572.39
DQS	Ta Ann Holding Berhad, Multi Maximum Sdn Bhd	Sarawak	Daro Oil Palm Plantation	5,582.00
SIRIM QAS International	Rinwood Pelita (Mukah) Plantation Sdn Bhd	Sarawak	Sebakong-Mukah Estate Keyana Estate Jebungan Estate	23,843.76
DQS	Sarawak Oil Palms Berhad, SOP Plantations (Balingian) Sdn Bhd	Sarawak	Sg Meris Estate Sg Liuk Eatate	3,989.01



Certified Areas under MSPO Part 3 (Cont'd)

Certification Body	Company	State	Plantation	Certified Area (ha)	
DQS	JC Chang Group, Carotino Sdn Bhd	Pahang	Maran Estate Pahang Oil Palm Estate 1 Asia Oil Palm Estate 1 Hwa Li Estate 1 Hwa Li Estate 2	10,051.34	
TUV Nord	Sabah Softwoods Berhad	Sabah	Kapilit Estate Mawang Estate Bukit Tukok Estate Bukit Batu Estate Kumansi Estate Dumpas Estate Cenderamata Estate Sg. Indit Estate	33,320.00	
Control Union	PPB Oil Palm Berhad	Sabah	Sapi 1 & 2 Estate	6,795.39	
Control Union	PPB Oil Palm Berhad	Sarawak	Segarmas Plantation	4,727.00	
			Kaminsky Plantation	3,193.49	
SIRIM QAS International	Federal Land Development Authority (FELDA)	Perak	FELDA ljok	2,981.29	
SIRIM QAS International	Federal Land Development Authority (FELDA)	Perak	FELDA Lasah	887.05	
Control Union	KLK Berhad	Johor	Landak Estate	4,316.00	
			Kekayaan Estate	4,277.00	
			Paloh Estate	1,886.00	
			Voules Estate	1,255.00	
			Fraser Estate	2,798.00	
			Ban Heng Estate	621.00	
				New Pagoh Estate	1,177.00
				Sg. Bekok Estate	620.00
			See Sun Estate	577.00	
			Sg. Penggeli Estate	920.00	
			TOTAL	219,848.01	



DETAILS OF CERTIFIED SMALLHOLDERS, PLANTATIONS, ORGANISED SMALLHOLDERS AND MILLS AS AT 31 DECEMBER 2016

Certified Mills under MSPO Part 4

Certification Body	Company	State	Certified Mill	Capacity (mt/hr)
DQS	JC Chang Group, Asia Oil Palm Sdn Bhd	Sabah	Asia Palm Oil Mill	38.00
DQS	Genting Plantations Berhad	Sabah	Sabapalm Oil Mill	20.00
Bureau Veritas	Tradewinds Plantations Berhad, Ladang Petri Tenggara Sdn Bhd	Johor	Ulu Sebol Palm Oil Mill	45.00
SGS	IJM Plantations Berhad	Sabah	Desa Talisei Palm Oil Mill Sdn Bhd	60.00
DQS	Ta Ann Holding Berhad, Manis Oil Sdn. Bhd.	Sarawak	Manis Palm Oil Mill	90.00
DQS	JC Chang Group, Melewar Properties Sdn Bhd	Sabah	Melewar Palm Oil Mill	100.00
SIRIM QAS International	Boustead Plantations Berhad, Boustead Rimba Nilai Sdn Bhd	Pahang	Kilang Kelapa Sawit Sg. Jernih	30.00
SIRIM QAS International	Felda Global Ventures Plantations (M) Sdn Bhd	Pahang	Felda Palm Industries Sdn Bhd (FPISB), Kilang Kelapa Sawit Selancar 2B	54.00
SGS	Sime Darby Plantation Sdn Bhd - SOU 13 Labu	Negeri Sembilan	Labu Palm Oil Mill	28.00
DQS	Sarawak Oil Palms Berhad	Sarawak	New Lambir Palm Oil Mill	120.00
DQS	Sarawak Oil Palms Berhad	Sarawak	Galasah Palm Oil Mill	90.00
DQS	J.C. Chang Group, Sankina Oil Mills Sdn Bhd	Sabah	Takon Palm Oil Mill	45.00
DQS	Achi Jaya Plantations Sdn Bhd	Johor	Johore Labis Palm Oil Mill	60.00
BSI	Keresa Plantations Sdn Bhd	Sarawak	Keresa Palm Oil Mill	30.00
SIRIM QAS International	Rinwood Pelita (Mukah) Plantation Sdn Bhd	Sarawak	Rinwood Pelita Palm Oil Mill	80.00
DQS	Sarawak Oil Palms Berhad	Sarawak	Balingan Palm Oil Mill	45.00
DQS	JC Chang Group, Carotino Sdn Bhd	Pahang	Carotino Sdn Bhd	30.00
TUV Nord	Sabah Softwoods Berhad	Sabah	Kapilit Palm Oil Mill	90.00
Control Union	PPB Oil Palm Berhad	Sabah	Sapi Palm Oil Mill	60.00
Control Union	PPB Oil Palm Berhad	Sarawak	Saremas 2 Palm Oil Mill	45.00
Control Union	KLK Berhad	Johor	Kekayaan Estate	120.00
			TOTAL	1,280.00













FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	2016 RM	2015 RM
ASSETS		
Non-current asset		
Plant and equipment	378,850	158,619
Current assets		
Deposits and prepayment	68,170	68,872
Cash at bank	2,057,097	2,028,733
Total current assets	2,125,267	2,097,605
TOTAL ASSETS	2,504,117	2,256,224
FUND BALANCE		
Accumulated fund	453,233 ————	
Total fund balance	453,233 	
Current liabilities		
Other payables and accruals	195,733	85,275
Deferred income	1,855,151	2,170,949
Total liabilities	2,050,884	2,256,224
TOTAL FUND BALANCE AND LIABILITIES	2,504,117	2,256,224
	-	



10.12.2014 to

1.1.2016 to

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

(With comparative figures for the period from 10 December 2014 (date of incorporation) to 31 December 2015)

	31.12.2016 RM	31.12.2015 RM
Revenue	-	-
Other income	3,216,540	129,051
Activities and project costs	(279,789)	-
Administrative and general expenses	(2,483,518)	(129,051)
		
Surplus before tax for the year/period	453,233	-
Other comprehensive income, net of tax	-	-
Total comprehensive for the year/period	453,233	-



STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED 31 DECEMBER 2016

(With comparative figures for the period from 10 December 2014 (date of incorporation) to 31 December 2015)

	Accumulated fund
	RM
At 10 December 2014 (date of incorporation)	-
Total comprehensive surplus for the period	-
Balance as at 31 December 2015	-
Total comprehensive surplus for the year	453,233
Balance as at 31 December 2016	453,233



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

(With comparative figures for the period from 10 December 2014 (date of incorporation) to 31 December 2015)

	1.1.2016 to 31.12.2016 RM	10.12.2014 to 31.12.2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before tax Adjustments for:	453,233	-
Depreciation	64,351	5,470
Operating surplus before working capital changes Changes in deposits and prepayment Changes in other payable and accruals Changes in deferred income	517,584 702 110,458 (315,798)	5,470 (68,872) 85,275 2,170,949
Net cash generated from operating activities	312,946	2,192,822
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment, net cash used in investing activity	(284,582)	(164,089)
NET CHANGES IN CASH AND BANK BALANCE	28,364	2,028,733
CASH AND BANK BALANCE BROUGHT FORWARD/ AS AT DATE OF INCORPORATION	2,028,733	
CASH AND BANK BALANCE CARRIED FORWARD	2,057,097	2,028,733









certifying Malaysian palm oil for the world

MALAYSIAN PALM OIL CERTIFICATION COUNCIL

15th Floor, Bangunan Getah Asli (Menara) 148, Jalan Ampang, 50450 Kuala Lumpur, Malaysia Tel : +603-2181 0192 Email : info@mpocc.org.my

www.mpocc.org.my